AGENCY CENTRAL INTELLIGENCE

OFFICE OF NATIONAL ESTIMATES

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SUBJECT: NIE-32: THE COMMUNIST MILITARY POSITION IN KOREA AND ITS ENFECT ON SINO-SOVIET COURSES OF ACTION IN THE FAR EAST (Draft for consideration of the Board)

THE PROBLEM

To assess the Communist military position in Korea and to estimate the effects it may have on Simo-Soviet courses of action in the Far East.

CONCLUSIONS

- 1. We believe that the North Koreaus and Chinese Communists, unless they are substantially reinforced by sea and air power, are incepable of defeating the UN forces presently in Korea.
- 2. Despite their relatively heavy losses in men and material, however, they are probably capable of fighting an al-

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most indofinite war of attrition against forces approximately as large and as effective as the UN forces at present in Korea.

- 3. We believe that the Chinese Communists' capabilities for undertaking campaigns against Tibet, Hong Kong, Indochina, and Taiwan have not been materially lessened as a result of the Korean campaign to date. The strain represented in the Korean war, however, probably has been and still is a factor in dissuading them from these ventures.
- 4. If operations in Korea were prolonged to the extent of requiring further large numbers of Chinese Communist field forces to be withdrawn from the interior, there would be a serious reduction in the Peiping government's ability to control dissident elements and to carry out national programs such as land reform.
- 5. At present the Chinese Communists still appear to intend continuing the war to "liberate" Korea and probably would agree to a negotiated settlement only on their own terms. The possibility cannot be overlooked, however, that the Communists might, at any time, reverse their present policy and agree to negotiate on terms acceptable to the UN.

with a maximum objective of securing important concessions, and a minimum objective of gaining time, causing dissension in the UN, and developing propaganda.

- 6. We believe that the USSR desires the continuation of the Korean war and that it will continue to furnish such aid as is needed for its prolongation.
- 7. Although the USSR, by direct intervention, could cause the defeat of the UN in Korea, we do not believe that it would intervene directly and openly unless and until the Kremlin had decided, on the basis of the world situation in general, that the war with the US was imminent in any case.

COMMUNIST MILITARY POSITION IN KOREA

8. The Chinese Communists have suffered an estimated 208,000 and the North Koreans 411,000 casualties from the start of the Korean campaign to date. These losses represent a major portion of the original, highly-trained North Korean invasion Army. Practically all physically fit males in North Korea have apparently now been conscripted as replacements for the North Korean casualties. Chinese Communist losses include an appreciable number of well-trained,

hard-core Communist troops, but the majority of Chinese troops and casualties in Korea have probably been ex-Nationalists or inexperienced conscripts.

- 9. Despite these heavy manpower losses, Communist forces in Korea are still estimated to total 536,000, consisting of 293,000 Chinese and 243,000 North Koreans. These forces are now in a process of regroupment north of the 38th Farallel, and there are indications that substantial Communist reserves along the Sino-Korean border are being moved into the battle zone. Total Chinese Communist reserves in Manchuria number 368,000 Field Force troops (some of whom may have been supplied with Soviet equipment) and 370,000 Military District troops. There are indications that additional forces are now moving toward Manchuria from China proper, where there are some 2,488,000 Field Force and Military District troops.
- 10. Chinese equipment losses, mainly small arms and mortars, have been slight, and the Chinese have fairly large reserve stocks in Manchuria. In addition, current production from the Mukden arsenal is believed sufficient to meet a major part of Chinese Communist requirements in Korea for small arms and ammunition. North Korean forces, dependent almost entirely on the USSR for equipment, lost a very substantial portion of their armament during their retreat in September

1950. Although the North Korean Army is now reequipped with Soviet weapons, replacement of heavy material such as tanks and artillery apparently has not kept up with attrition. The Soviet Union possesses in the Far East supplies adequate, if the Kremlin should choose to release them, for a greatly increased program of support to Communist forces in Korea.

UN forces have destroyed or damaged approximately 11. 225 Communist aircraft, but most of this damage was inflicted early in the war before the North Korean air force withdrew to Manchuria. Since that time the Communists have not committed their air potential, which is gradually increasing with Soviet direction and technical assistance. The Chinese Commmist and North Korean air forces in Korea are estimated to have available now a combined strength of approximately 160 aircraft of fighter, ground attack, light bomber and transport types. In addition the Chinese Communists and North Koreans are holding in reserve approximately 760 aircraft of all types. If, however, the combined North Korean-Chinese Communist air force were committed to sustained operations in support of ground troops or to cover lines of communications, combat and maintenance attrition would reduce its combat effectiveness to an insignificant level within a short time, probably about a week.

large reserves, Chinese Communist forces in Korea are probably not appreciably weaker than they were at the time of Chinese intervention. So long as UN forces retain air supremacy, however, the Communists will have considerable difficulty in supplying an army any larger than the present force. We believe, therefore, that the Communist forces in Korea, unless substantially reinforced by air and sea power, are incapable of driving UN forces from Korea. They have, however, a potential for local offensives based on massed manpower and are probably capable of retaining control of a substantial part of North Korea, and fighting an almost indefinite war of attrition against forces approximately as large and effective as the UN forces at present in Korea.

EFFECTS OF THE KORFAN CAMPAIGN ON BASIC CHINESE CAPABILITIES

13. The Chinese Communists have, to date, been able to support their military effort in Korea without seriously disrupting the Chinese economy, without materially affecting the government's ability to cope with internal dissident elements, and without substantially reducing Chinese Communist capabilities for concurrent operations against Indochina, Burma or Hong Kong. It is probable that the commitment in Korea

has reduced the Chinese Communist military strength that was available for an assault on Taiwan, but we believe that Pedping, if it should wish to do so, still has the capability of mounting a large-scale invasion of Taiwan. Although Peiping probably has refrained from exercising its capability for undertaking any of these operations to date because of other considerations than the competing military requirements of the Korean campaign, we believe that the problems involved in an extended Chinese Communist commitment in Korea and the psychological impact of reverses received at the hands of UN troops there have been and will continue to be significant factors in deterring Chinese actions elsewhere in Asia.

14. If the Chinese Communists were to undertake a war of attrition in Korea, their basic capabilities might be seriously reduced. An increasing strain on the Chinese sconomy would result from inflationary pressures, continued postponement of reconstruction projects, a serious reduction of agricultural output in Manchuria incident to a diversion of labor and draft animals for support of the Korean war, and a further strain on the transportation system. If operations in Korea were prolonged to the extent of requiring further large numbers of Chinese Communist Field Forces to

be withdrawn from the interior as replacements, there would be a serious reduction in the government's ability to attempt military operations elsewhere, to control dissident elements, and to carry out national programs such as land reform.

PROBABLE CHINESE COMMUNIST INTENTIONS WITH RESPECT TO KOREA

they cannot with their own forces and the North Koreans achieve an early victory in Korea. We do not believe, however, that they are now willing or are likely to become willing to depart from their previously announced terms for negotiated Korean settlement. The Chinese Communists probably could not now "withdraw" their "volunteers" from Korea without inacceptable loss of face. Even to accept the status que ante at the 38th Parallel might now be difficult for the Peiping government in view of its reiterated statements that Korea must be fully "liberated". For these and other reasons, Peiping may believe that it must continue to prosecute the war, despite Chinese losses to date, the further losses that will be inflicted if a stalemate is allowed to develop, and the continued and increasing unsettlement of China's domestic

Sconomy that would be involved. At present the Chinese Communists, probably relying on increased Soviet aid, still appear to intend to continue the war in Korea until all storeign soldiers have been driven out. Actual Chinese Communist strategy at present seems to be to evade major contacts with UN forces and to make a planned withdrawal while fresh North Korean and Chinese units are being moved south from Manchuria.

16. The Chinese have not gone so far in their Korean commitments that they are not in a position to propose a peaceful settlement with the UN or to "accept" certain offers already made by the UM and not formally withdrawn. Chinese reverses, moreover, may actually be such from their point of view that continuation of the war appears less desirable to Chinese leaders than their public statements would indicate. The possibility cannot be overlooked, therefore, that the Borth Koreans or the Chinese Communists might at any time reverse their present policy and begin negotiations. Their maximum objective might be to obtain a favorable settlement with respect to such major issues as US protection of Taiwan, Chinese Communist admission to the UM, and ultimate control of a unified Korea. Their minimum objective might involve gaining time, developing favorable propaganda, and causing dissension among the US and its allies.

PROBABLE SOVIET INTENTIONS WITH RESPECT TO KOREA

17. The Erwilla apparently desires a continuation of the Korean war, even though Soviet leaders probably by new have come to believe that the Chinese Communists alone will not be able to achieve victory in Korea. Judging from its course of action to date, which has involved moral, diplomatic, and limited military support to the Chinese Commumists rather than direct intervention, the Kramlin is prepared to see a long-term stalements. Continuing Soviet assistence in meeting Chinese logistical requirements on the present level would not cause a significant drain on the The Kramlia may feel that considerable advantage to itself is to be gained through the involvement of the UN, and particularly the US, in a long and inconclusive military operation in the Far East. Under these circumstances the USSR would presumably urgo the Chinese to continue fighting and in event the Chinese faced defeat in Korea, would probably make commitments to furnish further air support, heavy equipment and technical assistance, and perhaps "volunteers".

18. If the USSR wished to intervene directly and openly in Korea, it could undoubtedly force a UN withdrawal.

Such intervention would not necessarily have to be fullscale because the Soviet Far Eastern Air Force alone could
probably establish local air superiority and thus greatly
facilitate a Communist victory. In consideration of this
capability, if a Communist defeat in Korea were impending
and the USSR were faced with the prospect that all Korea
up to the Chinese and Soviet frontiers might come under UN
control, the Kremlin might intervens.

In making a decision on intervention, the USSR would have to weigh the risk of general war against the adverse effect on Soviet prestige and Sino-Soviet relations that would result if the Korean campaign ended in a debacle that the USSR could have prevented. The key to a decision made under these circumstances would be the development of relations between the USSN and Communist China which cannot, however, be foreseen on the basis of current information. It is conceivable, neverthaless, that Simo-Soviet relations might become so strained in consequence of a Chinese defeat in Eorea that the USSR would have to choose between going fully to the aid of China or abandoning its whole strategic position in the Far East. If this point were reached, it is possible that the USSR might feel compelled to accept the beginning of a world war before it was otherwise ready to do so.

with the possibility that the US and other UN nations inwilved in Kerea would consider Soviet intervention an act
of war evan if it were limited to provision of aircraft
flown by "volunteer" Soviet pilots. At a minimum, therefore, whenever the USSR intervened in Korea, the Kremlin
would have to be fully prepared for the immediate beginning
of general hostilities with the US. On balance, we believe
that the USSR would be unlikely to intervene overtly in
Korea unless and until it had decided, on the basis of the
world situation in general, that war with the US was inminent and unavoidable. Operations in Korea would not then
represent the primary Soviet effort, although the Kramlin
would probably attempt, as one of its opening campaigns,
to destroy UN forces deployed there.

21. Although for the immediate future the USSR will presumably desire continuation of the Korean war, at some point, if the Kremlin were unwilling to precipitate a general war, the USSR might encourage, or acquiescs in, Chinese Communist or North Korean efforts to achieve a negotiated settlement. It is impossible to determine when such a point might be reached, but it would probably come when an early Communist defeat had become likely but before the Communists were on the brink of complete defeat.